

# United States Department of Agriculture Rural Development

## Section 9007 Rural Energy for America Program

### Full Grant Application Template

**The full grant application template** – on the following pages – provides access to fillable forms and a framework of divider pages to organize the grant application for submission to USDA-Rural Development. Please tab the divider pages as indicated.

**Separate** applications must be submitted for renewable energy system and energy efficiency improvement projects. Applicants may only submit **one** application **for each type** of project per fiscal year.

**An original and 1 copy** of the application must be submitted to the USDA Rural Development Area Office where the proposed project is located. Local contacts may be found at [www.rurdev.usda.gov/tn/REAP/energy\\_contacts](http://www.rurdev.usda.gov/tn/REAP/energy_contacts).

Or call the USDA Rural Development State Office in Nashville for additional information on where to file.

615-783-1341

800-342-3149

**A full grant application has total eligible project costs of more than \$200,000 and can involve commercial or pre-commercial technology.**

This template is designed for training and education and does not replace the 4280-B regulation.

**USDA-Rural Development**  
**Section 9007**  
**Rural Energy for America Program**

**Full Grant Application**

**Title of Project:**

**Submitted by**

**Applicant Name:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**City:** \_\_\_\_\_

**County:** \_\_\_\_\_

**State:** \_\_\_\_\_

**Zip code:** \_\_\_\_\_

**Phone #:** \_\_\_\_\_

**E-mail:** \_\_\_\_\_

**Fax:** \_\_\_\_\_

**Choose one:**

☐ **A Renewable Energy Systems Project**  
**or**

☐ **An Energy Efficiency Improvements Project**

**\$\_\_\_\_\_ Grant Request**

Combo/Grant Writer Name

Phone #

E-mail

**Date Submitted to RD** \_\_\_\_\_

## Table of Contents

(Title of the Project)\_\_\_\_\_

**4280.111 (b) (2) A detailed table of contents** in the order presented below with clear pagination and chapter identification. The table of contents will include page numbers for each component of the proposal. Begin pagination immediately following the Table of Contents.

	<b>Application Components</b>	<b>Tab</b>
I.	Title Page	
II.	Table of Contents	
III.	Project specific forms A. SF 424 – Application – Federal Catalog # is 10.868 B. SF 424 C – Budget C. SF 424 D – Assurances D. 1940-20 “Request for Environmental Information” and attachments	A
IV.	Certifications A. AD 1049 B. AD 1048 C. Exh. A-1, 1940-Q – only required for grants requests exceeding \$100,000 D. Form SF-LLL E. AD 1047 F. 400-1 G. 400-4 H. A certification indicating whether or not there is a known relationship or association with an Agency (Rural Development) employee. I. Certification of demonstrated financial need.	B
V.	Legal organizational documents (including any contracts with investors)	C
VI.	Project Summary A. Title of Project B. Applicant eligibility C. Project Eligibility D. Operation Description E. Financial Information for Size Determination	D
VII.	Financial Information A. 3 yr. historical income statement, balance sheet, and cash flow B. Current year income statement, balance sheet, and cash flow C. Start up year + 3 years pro forma income statement, balance sheet, and cash flow D. Demonstrated financial need documentation	E
VIII.	Matching Funds Documentation	F
IX.	Self Evaluation Score Documentation is tabbed to match the scoring criteria numbering.	G
X.	Energy Audit (if project is an energy efficiency project)	H
XI.	Technical Report	I
XII.	Feasibility Study (if project is a renewable energy project)	J

**Tab A – Full Grant**  
**Total Eligible Costs Exceed \$200,000**  
 Divider Page

Federal Tax ID #		
DUNS #		
<i>To get a DUNS number, call 1-800-234-3867 or go to <a href="http://www.dunandbradstreet.com/US/duns_update/index.html">www.dunandbradstreet.com/US/duns_update/index.html</a></i>		
<b>Project Specific Forms 4280.111 (b) (1) (i) A, B, C, D</b> <i>Insert the forms immediately after this divider page.</i>		
SF 424 – Application for Federal Assistance		
SF 424C – Budget Information <i>To provide a more itemized breakdown of eligible and ineligible expenses, attach a separate spreadsheet.</i>		
SF 424D – Assurances		
1940-20 – Request for Environmental Information – and documentation <i>Complete the first page of 1940-20 and sign it. Consult with the Rural Development Area Office Specialist if you have questions regarding documentation needed.</i>		
<b>Examples of projects:</b>		<b>Documentation:</b>
<u><b>Categorical Exclusion Environmental Assessment</b></u> --Crop drying equipment --Improvements to a facility or process to reduce energy consumption (lights, HVAC, freezers, coolers, etc) --Solar voltaic systems	--legal description of site where project will be located --statement of project – who wants to do what, where, when, and how --Site photo --map or aerial photo with the project identified	
<u><b>Class I Environmental Assessment</b></u> --Solar thermal - Small ponds/receivers --Small wind turbines less than 100 kW and hub height less than 120'	--Subsequent to the first page of the 1940-20 - Answer questions 1,2,13,15,16,17 – attach third party documents as appropriate & provide legal description --Site photos --Discussion of alternative sites considered From NRCS office --USGS topographical map --Aerial ortho photo – identify exactly where project will be located If wind project: --Photos in all 4 directions from the turbine site. --Schematic of where electrical line to be located Go to <a href="http://www.rurdev.usda.gov/ia/env_ia_class1.html">http://www.rurdev.usda.gov/ia/env_ia_class1.html</a> For sample documentation to attach to the 1940-20.	
<u><b>Class II Environmental Assessment</b></u> --Solar thermal-Large ponds/receivers --Large Wind turbines – greater than 100 kW --Anaerobic digesters --Large biomass such as ethanol, biodiesel	Have the engineer complete the RD Environmental Assessment worksheet located at: <a href="http://www.rurdev.usda.gov/ia/rbs-forms.html">http://www.rurdev.usda.gov/ia/rbs-forms.html</a> Go to the bottom of the screen and click on <b>Class II Environmental Assessment Worksheet for sample documentation</b>	

## Tab B

### Divider Page

#### Certifications 4280.111 (b) (1) (ii) A through J

<i>Insert the forms immediately after this divider page.</i>	Please indicate: <b>X</b> (enclosed) or <b>NA</b> (not applicable)
<b>AD 1049</b> Certification Regarding Drug Free Workplace Requirements (Grants) Alternative 1 – “For Grantees other than Individuals.” <a href="http://www.rurdev.usda.gov/rbs/coops/ad1049.pdf">http://www.rurdev.usda.gov/rbs/coops/ad1049.pdf</a>	
<b>AD 1048</b> Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tiered Covered Transactions <a href="http://www.rurdev.usda.gov/rbs/coops/ad1048.pdf">http://www.rurdev.usda.gov/rbs/coops/ad1048.pdf</a>	
<b>Exhibit A-1 of 1940-Q</b> Certification for Contracts, Grants and Loans - if the grant exceeds \$100,000. <a href="http://www.rurdev.usda.gov/ia/rbcs_1940Q_ExhA1.pdf">http://www.rurdev.usda.gov/ia/rbcs_1940Q_ExhA1.pdf</a>	
<b>Form SF-LLL</b> Disclosure of Lobbying Activities, must be completed if the applicant or borrower has made or agreed to make payment using funds other than Federal appropriated funds to influence or attempt to influence a decision in connection with the application. <a href="http://www.whitehouse.gov/omb/grants/sflll.pdf">http://www.whitehouse.gov/omb/grants/sflll.pdf</a>	
<b>AD 1047</b> Certification Regarding Debarment, Suspension, and Other Responsibility Matters – Primary Covered Transactions <a href="http://www.rurdev.usda.gov/rbs/coops/ad1047.pdf">http://www.rurdev.usda.gov/rbs/coops/ad1047.pdf</a>	
<b>Form 400-1</b> Equal Opportunity Agreement <a href="http://www.rurdev.usda.gov/regs/forms/0400-01.pdf">http://www.rurdev.usda.gov/regs/forms/0400-01.pdf</a>	
<b>Form 400-4</b> Assurance Agreement <a href="http://www.rurdev.usda.gov/regs/forms/0400-01.pdf">http://www.rurdev.usda.gov/regs/forms/0400-01.pdf</a>	
Intergovernmental comments in accordance with 7 CFR part 3015, subpart V, of this title.	<b>Not applicable in Iowa</b>

<b>Tab C</b> Divider Page	
<b>Legal Organizational Documents</b> 4280.111 (b) (1) (iii)	

## Tab D

Divider Page

<b>Project Summary</b> 4280.111 (b) (3) (i) through (v)		
Title of the project		
Applicant Eligibility (as per 4280.107)		
Project Eligibility (as per 4280.108)		
Operation Description		
Financial Information for Size Determination		
IRS forms	<b>D-1</b>	
NAICS code information – if applying as a small business <i>(if applicable)</i>	<b>D-2</b>	
Documentation of commercially available or pre-commercial technology	<b>D-3</b>	
Third party contracts for management and maintenance <i>(if applicable)</i>	<b>D-4</b>	
Evidence of site control	<b>D-5</b>	

*An agricultural producer is an individual or entity directly engaged in the production of agricultural products, including crops (including farming); Livestock (including ranching); forestry products; hydroponics; nursery stock; or aquaculture, whereby **50% or greater of their gross income** is derived from the operations.*

*An entity is considered a small business in accordance with the Small Business Administrations (SBA) small business size standards by NAICS found in Title 13 CFR part 121. A private entity including a sole proprietorship, partnership, corporation, cooperative (including a cooperative qualified under section 501(c)(12) of the Internal Revenue Code), and an electric utility including a Tribal or governmental electric utility that provides service to rural consumers on a cost of service basis without support from public funds or subsidy from the government authority establishing the district, provided such utilities meet SBA's definition of small business. These entities must operate independent of direct Government control. With the exception of the entities described above, all other non-profit entities are excluded.*

**Guide 5 Section 9007 RURAL ENERGY FOR AMERICA Program Applicant & Project Eligibility**

Applicant Name \_\_\_\_\_

Title of Project \_\_\_\_\_

Type of Technology ☐ Renewable Energy or ☐ Energy Efficiency

**Applicant Eligibility (4280.107)**

WHEREAS, \_\_\_\_\_  
herein called the "Grantee/Applicant", intends to obtain assistance from the United States of America, acting through the U. S. Department of Agriculture, herein called the "Government", acting under the provisions of the Section 9007 Rural Energy for America Program.

NOW THEREFORE, in consideration of the premises, the Grantee hereby certifies to their applicant eligibility as follows (for any not applicable, mark N/A):

1. \_\_\_\_\_ **If applying as an Agricultural Producer** – more than 50% of the grantee's income is from agricultural production. (*Documentation is attached to show more than 50% of gross income is from the farming operation – first page of previous year income tax return and schedule F*).  
  
\_\_\_\_\_ **If applying as a Rural Small Business** – the grantee's business meets SBA small business size Standards <http://sba.gov/size/index.html>  
The NAICS code for my business is \_\_\_\_\_.  
The limitations of the NAICS code are \_\_\_\_\_.  
How my business meets those limitations \_\_\_\_\_.  
\_\_\_\_\_ *Documentation is attached to show how my business meets those limitations – if business size is based on annual sales one of the following:*  

<input type="checkbox"/> IRS 1040 Schedule F	<input type="checkbox"/> IRS 1040 Schedule C	<input type="checkbox"/> IRS Form 1120
<input type="checkbox"/> IRS Form 1120S	<input type="checkbox"/> IRS Form 1065	
2. \_\_\_\_\_ **If applying as an individual** for a renewable energy/energy efficiency project, the individual(s) are citizens of the U.S. or reside in the U.S. after being legally admitted for permanent residence.  
  
\_\_\_\_\_ **If applying as an entity** for a renewable energy/energy efficiency project, the entity is at least 51 percent owned, directly or indirectly, by individuals who are either citizens of the United States or reside in the United States after being legally admitted for permanent residence.
3. \_\_\_\_\_ (Answer True or False) The grantee has no outstanding judgment from Federal court, is not delinquent in federal income taxes or federal debt, and has not been debarred from receiving federal assistance.
4. \_\_\_\_\_ (Answer True or False) I have received a Section 9006 or 9007 grant in prior years.  
If the answer is yes – please indicate the year \_\_\_\_\_ and type of project \_\_\_\_\_.
5. \_\_\_\_\_ I certify my application meets demonstrated financial need as per 4280.107 (a) (5), 4280.109 (b) (2), and 4280.193 (a).

The grantee \_\_\_\_\_ does or \_\_\_\_\_ does not have a known relationship or association with an Agency employee. If applicable, name and relationship of employee:  
\_\_\_\_\_

IN WITNESS WHEREOF, I have executed this certification on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_

\_\_\_\_\_  
Name of Applicant/Grantee

\_\_\_\_\_  
Printed Name of Authorized Representative of Applicant/Grantee

\_\_\_\_\_  
Signature of Authorized Representative of Applicant/Grantee



## Project Eligibility (4280.108)

WHEREAS, \_\_\_\_\_ herein called the "Grantee/Applicant", intends to obtain assistance from the United States of America, acting through the U. S. Department of Agriculture, herein called the "Government", acting under the provisions of the Section 9007 Rural Energy for America Program.

NOW THEREFORE, in consideration of the premises, the Grantee hereby certifies to their project eligibility as follows (*for any not applicable, mark N/A*):

1. \_\_\_\_\_ Type of Technology ☐ Renewable Energy or ☐ Energy Efficiency  
The project description is:

\_\_\_\_\_  
\_\_\_\_\_

2. The project is for ☐ Commercially available and replicable technology  
☐ Pre-Commercial and replicable technology

Pre-commercial technology – Technologies that have emerged through the research and development process and have technical and economic potential for commercial application, but are not yet commercially available.  
Commercially available - A system that has a proven operating history specific to the proposed application. Such a system is based on established design, and installation procedures and practice. Professional service providers, trades, large construction equipment providers, and labor are familiar with installation procedures and practices. Proprietary and balance of system equipment and spare parts are readily available. Service is readily available to properly maintain and operate system. An established warranty exists for parts, labor, and performance.

\_\_\_\_\_ *Documentation is attached to support the commercial availability of the technology in my application.*

3. \_\_\_\_\_ The project has technical merit (*Answer yes or no*).  
4. \_\_\_\_\_ The project is located in a rural area, as defined in 4280.103 (*Answer yes or no*).  
The Project will be located in \_\_\_\_\_.  
The address is \_\_\_\_\_.  
The most recent decennial population census of the project location is \_\_\_\_\_.  
The project (*circle one*) is or is not located in an urbanized area.

Definition of rural: Any area other than a city or town that has a population of greater than 50,000 inhabitants and the urbanized area contiguous and adjacent to such a city or town according to the latest decennial census of the U.S.

5. The owner of the project is \_\_\_\_\_.  
Is the owner of the project the same entity as the applicant? \_\_\_\_\_ (*Answer yes or no*)  
Is a third party going to be under contract to control revenues and expenditures and operate/maintain the project?  
\_\_\_\_\_ (*answer yes or no*)  
6. \_\_\_\_\_ I will control the site where the project will be located - for the useful life of the proposed technology.  
(*Answer yes or no*)  
\_\_\_\_\_ *Attached is documentation of this control.*  
7. \_\_\_\_\_ I have satisfactory sources of revenue in an amount sufficient to provide for the operation, management, maintenance, and debt service of the project – for the life of the project (*answer yes or no*).

IN WITNESS WHEREOF, I have executed this certification on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_

\_\_\_\_\_  
Name of Applicant/Grantee

\_\_\_\_\_  
Printed Name of Authorized Representative of Applicant/Grantee

\_\_\_\_\_  
Signature of Authorized Representative of Applicant/Grantee

## D. Operation Description

- (1) Describe the applicant's total farm/ranch/business operation and the relationship of the proposed project to the applicant's total farm/ranch/business operation.
- (2) Provide a description of the ownership of the applicant, including a list of individuals and/or entities with ownership interest, names of any corporate parents, affiliates, and subsidiaries, as well as a description of the relationship, including products, between these entities.

## E. Financial Information for Size Determination

Attached is financial information to allow the Agency to determine the applicant's size. All information submitted under this paragraph has been substantiated by authoritative records. Financial size will determine the number of points the applicant is eligible for – for scoring criteria #6 – Small agricultural producer – or – Very Small Business. Voluntarily providing tax returns is one means of satisfying this requirement and providing documentation for scoring criteria #6.

IRS forms submitted are as follows (please check as applicable):

- ☐ IRS form 1120 – Corporation
- ☐ IRS form 1120S – “S” corporation
- ☐ IRS form 1065 – Partnership
- ☐ IRS Schedule F – Farming
- ☐ IRS Schedule C – Business
- ☐ IRS Form 1040

**(A) Rural small businesses** must provide sufficient information to determine total annual receipts for and number of employees of the business and any parent, subsidiary, or affiliates at other locations. The information provided must be sufficient for the Agency to make a determination of business size as defined by SBA.

Total Annual Receipts – The total income or gross income (sole proprietorship) plus cost of goods sold.

The applicant's determination of business size is as follows:

\_\_\_\_\_ IRS form 1120 – Corporation – line 11                      \_\_\_\_\_ IRS Schedule C – Business – line 7  
\_\_\_\_\_ IRS form 1120 S – “S” Corporation – line 6                      \_\_\_\_\_ IRS Schedule F – Farming – line 11  
\_\_\_\_\_ IRS form 1065 – Partnership – line 8

Documentation as to the number of employees is as follows:

**or**

**(B) Agricultural producers:** Provide the gross market value of your agricultural products, gross agricultural income, and gross non-farm income of the applicant for the calendar year preceding the year in which you submit your application.

\_\_\_\_\_ IRS form 1120 – Corporation – line 1a                      \_\_\_\_\_ IRS Schedule C – Business – line 1  
\_\_\_\_\_ IRS form 1120 S – “S” Corporation – line 1a                      \_\_\_\_\_ IRS Schedule F – Farming – lines 3 & 4  
\_\_\_\_\_ IRS form 1065 – Partnership – line 1a

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\_\_\_\_ Line 22 of IRS form 1040 + line 28 and 30 from Schedule C (gross non-farm income)

## Tab E

### Divider Page

### Financial Information

*4280.111 (b) (4) (i) through (iv)*

**A financial statement typically includes an income statement, balance sheet, and cash flow statement.**

Financial information is required on the total operation of the agricultural producer/rural small business and its parent, subsidiary, or affiliates at other locations. All information submitted under this paragraph must be substantiated by authoritative records.

#### 3 yr. Historical financial statements

**Historical financial statements** prepared in accordance with Generally Accepted Accounting Practices (GAAP) for the past 3 years, including income statements and balance sheets. If agricultural producers are unable to present this information in accordance with GAAP, they may instead present financial information for the past years in the format that is generally required by commercial agriculture lenders.

#### Current year financial statement

**Current balance sheet and income statement** – Provide a current balance sheet and income statement prepared in accordance with generally accepted accounting principles (GAAP) and dated within 90 days of the application. Agricultural producers should present financial information in the format that is generally required by commercial agriculture lenders.

Bal Sheet

Income Stmt

#### 3 yr pro forma financial statements

**Pro Forma balance sheet** – Provide pro forma balance sheet at startup of the agricultural producer's/rural small business' business that reflects the use of the loan proceeds or grant award; and 3 additional years, indicating the necessary start-up capital, operating capital, and short-term credit; and projected cash flow and income statements for 3 years supported by a list of assumptions showing the basis for the projections.

Start Up Year

Year 1

Year 2

Year 3

#### Documentation of demonstrated financial need

<div> <div>Tab F</div> <div>Divider Page</div> </div>	
Matching Funds Documentation 4280.111 (b) (5)	
A <b>spreadsheet</b> identifying <b>sources of matching funds, amounts</b> and <b>status</b> of matching funds. The spreadsheet will also include a directory of matching funds source contact information.	
<b>Attach</b> any applications, correspondence, or other written communication between applicant and matching fund source.	
The matching funds letter is not a letter of intent. <b>It should be a <u>commitment</u> to the project for a specific amount of dollars.</b>	

*Per AN 4437 (4280-B) 5-19-09* – If financial resources come from the grantee, the grantee will submit documentation in the form of a bank statement that demonstrates availability of funds.

If a lender is providing financial assistance, then a commitment letter, signed by an authorized bank official would be needed. The letter must be:

- specific to the project,
- outline the amount of the loan, rates and terms.

A letter of intent or a pre-qualification letter would not be acceptable.

Letters that condition the funding on bank approval or other underwriting requirements is not acceptable.

An acceptable condition may be based on the receipt of the REAP grant or an appraisal of property being completed.

Without specific statutory authority, other Federal grant awards and applicant in-kind contributions cannot be used to meet the matching fund requirement. Third-party, in-kind contributions are limited to 10% of the matching fund requirement of the grant. The Agency will advise if the third-party, in-kind contributions are acceptable in accordance with 7 CFR part 3015.

Passive third party equity contributions are acceptable for renewable energy system projects, including those that are eligible for Federal production tax credits, provided the applicant meets the requirements of Section 4280.107 (applicant eligibility).

Applicant Name \_\_\_\_\_  
 Matching Funds Commitment Documentation Spreadsheet  
 Title of Project \_\_\_\_\_  
 Total Cost \$ \_\_\_\_\_

	Source of Funds	Contact Name Phone, Fax Address	Dollars	Commitment Letter attached
1	Section 9007 Grant	Area Office Location	\$	Pending Award of Grant
2	Guaranteed 9007 Loan	Area Office Location	\$	Pending Award of G-loan
3	Applicant funds	Applicant Name	\$	
4	Lending Institution Loan		\$	
5			\$	
6			\$	
7	Investor funds		\$	
		Total Project Cost	\$	(Should match total project cost on SF 424C located behind Tab A)

<h2 style="margin: 0;">Tab G</h2> <h3 style="margin: 0;">Divider Page</h3>	
Self Evaluation Score 4280.111 (b) (6)	
Self-score the project using the evaluation criteria 4280.112 (e).	
Use Appendix C to 4280-B or Guide 4– Scoring Guideline to complete the evaluation.	Guide 4 follows this divider page.
<p>To justify the score, submit the total score along with appropriate calculations and <b>attached documentation</b>, or specific cross-references to information elsewhere in the application.</p> <p><b>Tab the documentation</b> attached to the score sheet to match the scoring criteria number. For example:</p> <p>Scoring criteria #1 – tab the documentation #1          Scoring criteria #2 – tab the documentation #2          Etc. Etc.</p>	

**Criteria #9 – Return on Investment (ROI)** *Per AN 4437 (4280-B) 5-19-09*

**Energy generation project - ROI formula**

Total Eligible Project costs (including REAP grant) divided by Average Net Income + (Interest Expense+ Depreciation Expense)

*Average Net Income:*

- All energy related revenue streams which include monetary benefits from Production Tax Credit (PTC), Renewable Energy Credit, Carbon Credits, revenue from byproducts produced by the energy system and other incentives that can be annualized.
- Is income remaining after all project obligations are paid (operating and maintenance), except interest and depreciation.
- Should be based on the project's typical year income (which is after the project is operating and stabilized) projections at the time of application submittal.
- Does not allow Investment Tax Credits, State tax incentives or other one time construction and investment related benefits that cannot be annualized to be included as income or reduce total eligible project costs.

**Energy replacement and energy efficiency improvement project – ROI formula**

Total Eligible Project Costs (including REAP Grant) divided by Dollar Value of Energy Produced (or Saved)

*Dollar Value of Energy Produced or Saved incorporates the following:*

- All energy related revenue streams which include monetary benefits from Production Tax Credit (PTC), Renewable Energy Credit, Carbon Credits, revenue from byproducts produced by the energy system and, other monetary incentives that can be annualized.
- Does not allow energy efficiency improvements to monetize benefits other than the dollar amount of the energy savings the agricultural producer or rural small business may realize as a result of the improvement.
- Does not allow Investment Tax Credits , State tax incentives or other one time construction and investment related benefits that cannot be annualized to be included as income or reduce total eligible project costs.

# Rural Energy for America Program Evaluation Criteria Scoring Guideline

Per 4280-B Regulation -4280.112 (e)

Name of Applicant: \_\_\_\_\_  
Type of Technology: \_\_\_\_\_  
Funding Request: \_\_\_\_\_

**Final Grant Score (sum of Categories 1-9 and 11):**

**Final Guaranteed Loan Score (sum of 1-4, 6-10):**

## (1) Quantity of Energy Replaced, Produced, or Saved.

Points may only be awarded for one category (A, B, or C).

### (i) Energy replacement

If the proposed renewable energy system is intended primarily for self use by the agricultural producer or rural small business, and will provide energy replacement of:

Greater than 0 but equal to or less than 25%, <b>award 5 points.</b>	<b>Points</b>
Greater than 25%, but equal to or less than 50%, <b>award 10 points.</b>	
Greater than 50%, <b>award 15 points.</b>	
Determine energy replacement by dividing the estimated quantity of renewable energy to be generated over a 12 month period by the estimated quantity of energy consumed over the same 12 month period during the previous year by the applicable energy application. The estimated quantities of energy must be converted to British thermal units (BTU's), Watts, or similar energy equivalents to facilitate scoring. If the estimated energy produced equals more than 150% of the energy requirements of the applicable process(es), score the project as an energy generation project. <i>Per AN 4437 (4280-B) 5-19-09 - <u>New in 2009</u> – If a project involves new construction and a renewable energy system is being installed, the project would be classified as energy replacement only if the applicant can document the business's previous energy usage from their similar sized facility, otherwise the project does not qualify as an energy replacement project.</i>	

*Documentation in the file to substantiate the score for this category.*

**or**

### (ii) Energy Savings (include additional 5 points if applicable)

(1) If the estimated energy expected to be saved by the installation of the energy efficiency improvements will be from:

20% up to but not including 30%, <b>award 5 points.</b>	<b>Points</b>
30% up to but not including 35%, <b>award 10 points.</b>	
35% or greater, <b>award 15 points.</b>	
Energy savings will be determined by the projections in an energy assessment or audit.	

(2) Additional points.

If the project has total eligible project costs of \$50,000 or less AND opts to obtain a professional energy audit, <b>award an additional 5 points.</b>	<b>Points</b>
--	---------------

*Documentation in the file to substantiate the score for this category.*

**or**

### (iii) Energy generation

If the proposed renewable energy system is intended primarily for production of energy for sale, <b>award 10 points.</b>	<b>Points</b>
--	---------------

*Documentation in the file to substantiate the score for this category.*

*Per AN 4437 (4280-B) 5-19-09*

*New in 2009 – If a renewable energy project does not meet the criteria for an energy replacement project or an energy generation project – the score for criteria #1 will be zero (0).*

## (2) Environmental benefits

If the purpose of the proposed system contributes to the environmental goals and objectives of other Federal, State, or local programs, <b>award 10 points.</b>	<b>Points</b>
Award points only if the applicant provides documentation from an appropriate authority supporting this claim.	

*Per AN 4437 (4280-B) 5-19-09 - Environmental documentation needs to contain the following:*

- An appropriate authority must document how the project meets established environmental goals or objectives of Federal, State, or local programs.
- The documentation provided must reference the applicant by name, the REAP program, and specify the project for which the applicant has applied.

*Documentation in the file to substantiate the score for this category.*

## (3) Commercial availability

If the proposed system or improvement is currently commercially available and replicable, <b>award 5 points.</b>	<b>Points</b>
If the proposed system or improvement is commercially available and replicable and is also provided with a <u>5 year or longer warranty</u> providing the purchaser protection against system degradation or breakdown or component breakdown, <b>award 10 points.</b>	

*Per AN 4437 (4280-B) 5-19-09*

*All warranties must be valid in the United States.*

*Five points will be awarded for systems that are currently commercially available and replicable but do not have a 5 year warranty. Applicants can be awarded the other 5 points under this criterion when they provide a copy of the warranty that will be awarded or a statement from the supplier/contractor detailing the warranty information.*

*The Agency requires that a warranty must be 5 years or more on all major components being installed to receive the other 5 points.*

*Documentation in the file to substantiate the score for this category.*

## (4) Technical Merit (To be completed by the Agency or NREL)

Carry forward score from technical review sheet. Maximum score possible is 35 points.	<b>Points</b>
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## (5) Readiness (Grants only)

If the applicant has written commitments, prior to the Agency receiving the complete application, from the source(s) confirming commitment of:

50% up to but not including 75% of the matching funds, <b>award 5 points.</b>	<b>Points</b>
75% up to but not including 100% of the matching funds, <b>award 10 points.</b>	
100% of the matching funds, <b>award 15 points.</b>	

*Documentation in the file to substantiate the score for this category.*

## (6) Small Agricultural Producer/Very Small Rural Business

If the applicant is an agricultural producer producing agricultural products with a gross market value of:

less than \$600,000 in the preceding year, <b>award 5 points.</b>	<b>Points</b>
less than \$200,000 in the preceding year,	
<b>OR</b>	
is a Very Small Rural Business as defined in 4280.103 (a business with less than 15 employees and less than \$1 million in annual receipts), <b>award 10 points.</b>	

*Documentation in the file to substantiate the score for this category.*



## (7) Simplified application

If an applicant is eligible for and uses the simplified application process <b>or</b> if the project has total eligible project costs of \$200,000 or less, <b>award 5 points.</b>	<b>Points</b>
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*Documentation in the file to substantiate the score for this category.*

## (8) Previous grantees and borrowers

If the applicant has not been awarded a grant or loan under this program within the 2 previous Federal fiscal years, <b>award 5 points.</b>	<b>Points</b>
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*Documentation in the file to substantiate the score for this category.*

## (9) Return on investment

If the proposed project will return the cost of investment in

Less than 4 years, <b>award 10 points.</b>	<b>Points</b>
4 years up to but not including 8 years, <b>award 4 points.</b>	
8 years up to 11 years, <b>award 2 points.</b>	

*Documentation in the file to substantiate the score for this category.*

## (10) Loan Rate (**Guaranteed Loans only; 4280.129 (e)**):

If the rate of the loan is below the Prime Rate (as published in the Wall Street Journal) plus 1.5 percent, <b>award 5 points.</b> <b>OR</b>	<b>Points</b>
If the rate of the loan below the Prime Rate (as published in the Wall Street Journal) plus 1 percent, <b>award 10 points.</b>	

*Documentation in the file to substantiate the score for this category.*

## (10) Grants of \$20,000 or less

If the grant requested is \$20,000 or less, <b>award 10 points.</b>	<b>Points</b>
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*Documentation in the file to substantiate the score for this category.*

<b>Tab H</b> Divider Page	
<b>Energy Audit</b> <b>(for Energy Efficiency Projects Only)</b> 4280.111 (b) (7) (ii) (B)	
<p>For energy efficiency improvement projects with <u>total eligible</u> project costs <u>greater</u> than \$50,000, <b>an energy audit must be conducted by or reviewed and certified by an energy auditor.</b></p>	
<p><b>Energy audit</b> – A report conducted by a Certified Energy Manager or Professional Engineer that focuses on potential capital-intensive projects and involves detailed gathering of field data and engineering analysis. The report will provide detailed project cost and savings information with a high level of confidence sufficient for major capital investment decisions. It will estimate costs, expected energy savings from the subject improvements, and dollars saved per year. The report will estimate weighted-average payback period in years.</p>	

# Tab I

## Divider Page

### Technical Report (required of every project) 4280.111 (b) (7) (ii) (A) and (C) through (G)

The Technical Report must be prepared in accordance with <b>Appendix B</b> , for projects with <u>total eligible project costs exceeding \$200,000</u> .	
The Technical report must demonstrate that the renewable energy system or energy efficiency improvement project can be installed and perform as intended in a reliable, safe, cost effective, and legally compliant manner.	
The services of a <b>professional engineer</b> (P.E.) or team of licensed PE's are required <ul style="list-style-type: none"> <li>- on <b>renewable energy</b> projects with total eligible projects costs <b>exceeding \$400,000</b>.</li> <li>- and for <b>energy efficiency</b> projects with total eligible project costs <b>exceeding \$200,000</b>.</li> </ul> Services include a design review, installation monitoring, testing prior to commercial operation and project completion certification.	
Projects exceeding total eligible costs of <b>\$1,200,000</b> , the technical report must be reviewed and include an opinion and recommendation by an independent qualified consultant.	
All information provided in the Technical Report will be evaluated against the <b>requirements provided in Appendix B</b> of this subpart. Any Technical Report <u>not prepared in the following format</u> and in accordance with Appendix B, where applicable, will be penalized under scoring for technical merit.	
<b>Technical Report Requirements – Please consult Appendix B guidelines at <a href="http://www.rurdev.usda.gov/ia/rbcs_RE-EE_grants.html">http://www.rurdev.usda.gov/ia/rbcs_RE-EE_grants.html</a></b>	
(1) <b>Qualifications of the project team</b> -The applicant has described the project team service providers, their professional credentials, and relevant experience. The description supports that the project team service, equipment, and installation providers have the necessary professional credentials, licenses, certifications, or relevant experience to develop the proposed project.	
(2) <b>Agreements and Permits</b> -The applicant has described the necessary agreements and permits required for the project and the schedule for securing those agreements and permits.	
(3) <b>Energy or Resource Assessment</b> -The applicant has described the quality and availability of a suitable renewable resource, or an assessment of expected energy savings for the proposed system.	
(4) <b>Design and Engineering</b> -The applicant has described the design, engineering, and testing needed for the proposed project. The description supports that the system will be designed, engineered, tested so as to meet its intended purpose, ensure public safety, and comply with applicable laws, regulations, agreements, permits, codes, and standards.	
(5) <b>Project Development Schedule</b> -The applicant has described the development method including the key project development activities and the proposed schedule for each activity. The description identifies each significant task, its beginning and end, and its relationship to the time needed to initiate and carry the project through to successful completion. The description addresses grantee or borrower project development cash flow requirements.	
(6) <b>Project Economic Assessment</b> -The applicant has described the financial performance of the proposed project, including the calculation of simple payback. The description addresses project costs and revenues, such as applicable investment and production incentives and other information to allow the assessment of the project's cost effectiveness.	
(7) <b>Equipment Procurement</b> - The applicant has described the availability of the equipment required by the system. The description supports that the required equipment is available, and can be procured and delivered within the proposed project development schedule.	
(8) <b>Equipment Installation</b> -The applicant has described the plan for site development and system installation.	
(9) <b>Operations and Maintenance</b> -The applicant has described the operations and maintenance requirements of the system necessary for the system to operate as designed over the design life.	
(10) <b>Dismantling and disposal of project components</b> -The applicant has described the plan for dismantling and disposing of project components at the end of their useful lives and associated wastes.	

**Tab J**  
Divider Page

**Feasibility Study**  
*4280.111 (b) (8)*  
**(required for renewable energy projects only  
which exceed \$200,000 in total eligible costs)**

For each application for a renewable energy system project, with total eligible project costs greater than \$200,000, a business-level feasibility study is required,

An independent qualified consultant **will be required** by the Agency for start-up businesses or existing businesses when the project will significantly affect the applicant's operations.

An acceptable business-level feasibility study must at least include an evaluation of economic, market, technical, financial, and management feasibility.